

**GEORGIA AFTER THE ROSE REVOLUTION:  
GEOPOLITICAL PREDICAMENT AND  
IMPLICATIONS FOR U.S. POLICY**

**Svante E. Cornell**

**February 2007**

Visit our website for other free publication downloads  
<http://www.StrategicStudiesInstitute.army.mil/>

[To rate this publication click here.](#)

This publication is a work of the U.S. Government as defined in Title 17, United States Code, Section 101. As such, it is in the public domain, and under the provisions of Title 17, United States Code, Section 105, it may not be copyrighted.

Report Documentation Page				Form Approved OMB No. 0704-0188	
Public reporting burden for the collection of information is estimated to average 1 hour per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. Send comments regarding this burden estimate or any other aspect of this collection of information, including suggestions for reducing this burden, to Washington Headquarters Services, Directorate for Information Operations and Reports, 1215 Jefferson Davis Highway, Suite 1204, Arlington VA 22202-4302. Respondents should be aware that notwithstanding any other provision of law, no person shall be subject to a penalty for failing to comply with a collection of information if it does not display a currently valid OMB control number.					
1. REPORT DATE <b>FEB 2007</b>		2. REPORT TYPE		3. DATES COVERED <b>00-00-2007 to 00-00-2007</b>	
4. TITLE AND SUBTITLE <b>Georgia After the Rose Revolution: Geopolitical Predicament and Implications for U.S. Policy</b>				5a. CONTRACT NUMBER	
				5b. GRANT NUMBER	
				5c. PROGRAM ELEMENT NUMBER	
6. AUTHOR(S)				5d. PROJECT NUMBER	
				5e. TASK NUMBER	
				5f. WORK UNIT NUMBER	
7. PERFORMING ORGANIZATION NAME(S) AND ADDRESS(ES) <b>Army War College, Strategic Studies Institute, 122 Forbes Avenue, Carlisle, PA, 17013-5244</b>				8. PERFORMING ORGANIZATION REPORT NUMBER	
9. SPONSORING/MONITORING AGENCY NAME(S) AND ADDRESS(ES)				10. SPONSOR/MONITOR'S ACRONYM(S)	
				11. SPONSOR/MONITOR'S REPORT NUMBER(S)	
12. DISTRIBUTION/AVAILABILITY STATEMENT <b>Approved for public release; distribution unlimited</b>					
13. SUPPLEMENTARY NOTES					
14. ABSTRACT					
15. SUBJECT TERMS					
16. SECURITY CLASSIFICATION OF:			17. LIMITATION OF ABSTRACT	18. NUMBER OF PAGES <b>47</b>	19a. NAME OF RESPONSIBLE PERSON
a. REPORT <b>unclassified</b>	b. ABSTRACT <b>unclassified</b>	c. THIS PAGE <b>unclassified</b>			

\*\*\*\*\*

The views expressed in this report are those of the author and do not necessarily reflect the official policy or position of the Department of the Army, the Department of Defense, or the U.S. Government. This report is cleared for public release; distribution is unlimited.

\*\*\*\*\*

Comments pertaining to this report are invited and should be forwarded to: Director, Strategic Studies Institute, U.S. Army War College, 122 Forbes Ave, Carlisle, PA 17013-5244.

\*\*\*\*\*

All Strategic Studies Institute (SSI) publications are available on the SSI homepage for electronic dissemination. Hard copies of this report also may be ordered from our homepage. SSI's homepage address is: *www.StrategicStudiesInstitute.army.mil*.

\*\*\*\*\*


The Strategic Studies Institute publishes a monthly e-mail newsletter to update the national security community on the research of our analysts, recent and forthcoming publications, and upcoming conferences sponsored by the Institute. Each newsletter also provides a strategic commentary by one of our research analysts. If you are interested in receiving this newsletter, please subscribe on our homepage at *www.StrategicStudiesInstitute.army.mil/newsletter/*.

ISBN 1-58487-280-2

## FOREWORD

The attacks on New York and Washington on September 11, 2001, enhanced the importance of both the South Caucasus and Central Asia to American security. Overflight rights through the Caucasus to Central Asia and Afghanistan are vital components of the ongoing military effort there by both U.S. and North Atlantic Treaty Organization (NATO) forces. Therefore the security dynamics in each of these areas are of heightened importance to U.S. policy. But the Transcaucasus is a region of multiple conflicts and fault-lines. Three of the four so-called “frozen conflicts” in the former Soviet Union are to be found there and are not as frozen as they may look. Indeed, as multiple recent crises show, Russo-Georgian tensions connected with South Ossetia and Abkhazia—two of the frozen conflicts—could erupt into open violence at any time.

For these reasons, this monograph by Dr. Svante Cornell of the Central Asia Caucasus Institute of Johns Hopkins University is exceptionally timely. Presented as part of the Strategic Studies Institute conference cosponsored with the University of Washington’s Ellison Center for Russian, East European, and Central Asian Studies; the Pacific Northwest Center for Global Security; and the Institute for Global and Regional Security Studies in April 2006, this monograph outlines the possibilities for conflict in the region and the qualities that make it a strategically important one, not only for Washington and Moscow, but also increasingly for Europe.

  
DOUGLAS C. LOVELACE, JR.  
Director  
Strategic Studies Institute

## BIOGRAPHICAL SKETCH OF THE AUTHOR

SVANTE E. CORNELL is Research Director of the Central Asia-Caucasus Institute and Silk Road Studies Program, a Joint Research and Policy Center affiliated with Johns Hopkins University's School of Advanced International Studies and the Department of Eurasian Studies, Uppsala University, Sweden. Previously, he taught at the Royal Swedish Military Academy and in 2002-03 served as the Course Chair of Caucasus Area Studies at the Foreign Service Institute of the U.S. Department of State. His main areas of expertise are security issues, state-building, and transnational crime in Southwest and Central Asia, with a specific focus on the Caucasus. He also has expertise in Turkish and Pakistani politics and foreign policy. Dr. Cornell is the Editor of the *Central Asia-Caucasus Analyst*, the Joint Center's biweekly publication ([www.cacianalyst.org](http://www.cacianalyst.org)), and of the Joint Center's *Silk Road Papers* series of occasional papers. Dr. Cornell is the author of four books, including *Small Nations and Great Powers*, the first comprehensive study of the post-Soviet conflicts in the Caucasus; and of the forthcoming *Azerbaijan Since Independence*. His articles have appeared in journals such as *World Politics*, the *Washington Quarterly*, *Current History*, *Journal of Democracy*, and *Europe-Asia Studies*. Dr. Cornell was educated at the Middle East Technical University in Ankara, Turkey, and holds a Ph.D. in Peace and Conflict Studies from Uppsala University.

## SUMMARY

Since its independence, Georgia has been the most vocally independent-minded country in the former Soviet Union. Russia countered Georgia's independence by strong support for secessionist minorities such as those in Abkhazia and south Ossetia. Since President Vladimir Putin's coming to power, Russian pressure on Georgia to reverse its pro-Western course has grown measurably. Following the 2003 Rose Revolution in Georgia, relations with Russia turned sour as the new government proved both democratic and single-mindedly focused on rebuilding the Georgian state, resolving the secessionist conflicts, and seeking NATO membership — all anathema to Moscow.

The security and success of Georgia is very important to Western interests in general and to those of the United States in particular. Beyond the hope that Georgia represents for successful state-building and democratic development in both the former Soviet Union and the wider Middle East, this country is a key strategic pivot for the transportation of Eurasia's energy resources, as well as for western access to Central Asia and Afghanistan.

Moscow is moving toward a creeping annexation of sovereign Georgian territory, and in the process is undermining confidence-building between Georgia and its secessionist minorities and increasing the danger of a military flare-up. Beyond this, Moscow has tried to squeeze Georgia's economy by manipulating energy supplies, instigating a wholesale trade and transport embargo, and deporting ethnic Georgians from Russia. These measures distract Georgia from its reform process, though Russia so far has failed to achieve its purposes.

Faced with this situation, the United States needs to develop a coherent and proactive rather than reactive policy toward the region. This must first include a reassessment of relations with Russia. Moreover, a strategic approach to Georgia should include continued support for Georgia's reforms; increased support for the internationalization of the peacekeeping and negotiation structures in Georgia's conflicts; and measures to support increased trade relations with Georgia to provide for alternative markets. All these will be possible only through a strengthened U.S. commitment to Georgia's NATO membership, greater cooperation with European partners, and, not least, improved coordination among the various agencies of the U.S. Government with regard to initiatives concerning this country.

## GEORGIA AFTER THE ROSE REVOLUTION: GEOPOLITICAL PREDICAMENT AND IMPLICATIONS FOR U.S. POLICY

Since *perestroika*, Georgia has been the most vocally independent-minded country in the former Soviet Union. In the late Soviet period, it had the strongest move toward independence; in the early 1990s, it was the state most adamantly rejecting membership in the Commonwealth of Independent States (CIS); later, it remained the most pro-western state of the CIS, making NATO membership a stated ambition before any other post-Soviet state. In this sense, Georgia bears more similarities to the Baltic states than to its neighbors or other CIS members. The difference is that the Baltic states managed to achieve their objectives with only verbal and political Russian objections, whereas in Georgia, Moscow has used many more elements of its power to prevent Georgia from following the same path.

Indeed, Russia consistently has supported armed secessionist movements against Georgia, helping them secede in the early 1990s and backing them militarily and politically since then. Russia for over a decade refused to withdraw its unwanted military bases from Georgian territory; bombed Georgian territory at several occasions; accused Georgia on bogus charges of harboring terrorists targeting Russia; used subversive measures, including attempts to assassinate Georgia's head of state; imposed a discriminatory visa regime on the country; and applied economic pressure through its use of Georgia's energy dependence on Russia. Most recently, Moscow has had serving Russian security personnel appointed to key positions in unrecognized



states on Georgian territory, and instituted politically motivated boycotts of Georgian exports to Russia. Given these measures, Russia's foreign policy toward Georgia stands out in comparison with virtually all other parts of the former Union of Soviet Socialist Republics (USSR). If Moscow increasingly has sought to reestablish its control over its former dominions, nowhere has it been more ready and willing to bare its teeth to achieve this goal than in Georgia; and nowhere has Moscow displayed a more contemptuous attitude toward the basic principles of international law than it has in Georgia. It deserves to be restated that Russia's interventionist policies have included the use and the threat of the use of violence, subversion, and what amounts to the outright annexation of Georgian territory. These are far from normal instruments of international politics; indeed, they are extreme.

This Russian policy has had serious consequences for Georgia's quest for political and economic development and its stability and security. A small country with considerable internal problems, Georgia has been unable to focus on its development, given the constant pressure and manipulations from Moscow geared at changing Georgia's policies. As far as the conflicts in Abkhazia and South Ossetia are concerned, Russian policies have undermined directly the integrity, unity, and functioning of the Georgian states and contributed to a deep political, economic and psychological malaise in Georgian society. Indeed, even if these conflicts arose out of genuine grievances on the part of minority populations and serious mistakes on the part of the Georgian leadership, Russia's influence over the secessionist regions has grown so strong that it has changed the nature of these conflicts. Indeed, given that the current situation

amounts to Russia's de facto annexation of Georgian territory, there is reason to pose the question whether these conflicts, even if they began as intercommunal conflicts, still are essentially secessionist civil wars, or whether they are best described as outright Russian-Georgian confrontations by proxy.

Nevertheless, Russian pressure seemed only to embolden Georgia in its determination to secure a future outside Russian control. Consecutive Georgian governments have followed principally the same foreign policy priority: to seek integration with Euro-Atlantic institutions and direct security ties with the United States in order to achieve some level of protection from Moscow. This has taken place at a time when the United States increasingly has been identifying growing security interests in the South Caucasus, and Georgia in particular. Long one of the most liberal and open countries in the former Soviet space, situated along the east-west corridor linking Europe to the Caspian sea, and a major transit state for U.S. operations in Central Asia, America's commitment to Georgian independence and sovereignty has grown considerably since the early 1990s. This U.S. commitment has grown in spite of continuing tendencies of some forces, particularly in the State Department, to deal with Russia over Georgia's head. Indeed, Georgia's independent stance likely would not have been possible without Western, and in particular American, support for the country.

Growth of assertive Russian neo-imperial policies following the democratic revolutions in Georgia and Ukraine, President Vladimir Putin's increasing authoritarian control over the country, and the security services' dominance over the state apparatus, coupled with the increasing liquidity of Russia given high oil prices, have made Russian and American interests in

Eurasia increasingly incompatible. Indeed, Russia's active and ultimately successful lobbying for the removal of U.S. military forces from Uzbekistan in 2005 showed with all necessary clarity that Russia is viewing relations with the United States in Eurasia in zero-sum terms. Conversely, America has been following a win-win approach, trying to convince Russian leaders of the common interests advanced by America's activity in the region, most notably Afghanistan. It also is clear that the South Caucasus, and Georgia specifically, is becoming a key point of contention in this situation.

Several questions arise out of this discussion. A first is to define the stakes in the South Caucasus and where Georgia fits into this picture. A second is to understand the basis and context of Russian policies towards Georgia. And a third is to analyze the implications of this conundrum for American policy in the region.

## **WHAT IS AT STAKE IN GEORGIA?**

Georgia may not necessarily be the most strategically important country in the South Caucasus. That title clearly must be attributed to Azerbaijan, given its larger size; its status as the only country bordering both Russia and Iran, and thereby unavoidable in any east-west corridor; its energy resources; and its uniqueness as a secular, modern Shi'a Muslim country. Indeed, in his 1997 *The Grand Chessboard*, Zbigniew Brzezinski termed Azerbaijan, along with Ukraine and Uzbekistan, strategic pivots. If it is not the most strategic country, Georgia is the most *critical* country in the South Caucasus. In strategic terms, this relates to the crucial role it plays in linking the Caspian Sea and Azerbaijan with the West. As Vladimir Socor has put it, "Georgia and Azerbaijan can only function as a

tandem or not at all; they stand or fall together.”<sup>1</sup> And its very weakness makes it the target of Russian policies. Indeed, control over Georgia either allows or prohibits the development of an east-west link connecting Europe with the Caspian in terms of energy, transportation, and consequently also economic and political stability. Georgia hence is crucial to Western energy and security interests in Eurasia. Moreover, given the increasing Western emphasis on freedom and democracy, the 2003 Rose Revolution added an ideological element to Georgia’s role in Eurasia, namely a stake in the survival and development of Georgian democracy. In this sense, Georgia is important in the three “baskets” of American interests that are discernible in the region. From the “softer” to the “harder,” these include sovereignty and democracy, energy and trade, and security.

### **Sovereignty, Governance and Democracy.**

Even before the Rose Revolution, Georgia rightly was considered one of the most liberal states in the former Soviet Union. Aside from a permissive political climate and high levels of freedom of expression, Georgia was one of the few countries where media freedom included the existence of television channels uncontrolled by the state. Georgia’s liberal character depended partly on the progressive nature of the government. Moreover, much as in the case of Kyrgyzstan, Georgia’s strong economic and political dependence on the West made it malleable to western demands for democratization and respect for human rights. But the liberal atmosphere depended equally on the utter weakness of the Georgian state. Indeed, the Shevardnadze government’s inability to control Georgia’s territory or its own state institutions

effectively precluded it from exercising a greater degree of control over Georgian society. The corollary of this reality was the level of corruption in the country, which in its anarchic and uncontrolled nature formed a larger impediment to the country's development than more structured and hierarchic corruption in neighboring Azerbaijan.

By 2000, this situation posed a clear and present danger to Georgia's security. The Shevardnadze administration was unable or unwilling to prevent the emergence of independent forces in the government that accumulated large amounts of capital and power and showed it ostentatiously; and apparently little was done to rein them in. Hence Interior Minister Kakha Targamadze, Security Minister Vakhtang Kutateladze, Economy Minister Ivane Chkhartishvili, and others grew into uncontrollable forces in the Shevardnadze government that contributed greatly to the increasing popular disillusionment, and alienated the young reformers in the government who eventually would carry out the 2003 Rose Revolution that brought down the government. Thanks to the interior and security ministers' permissive attitude, the Pankisi Gorge in North-Central Georgia was, for most of the late 1990s, a no-go zone in which armed Chechen groupings and criminal networks based themselves with impunity. Indeed, even with massive popular demonstrations against the attempts by the three ministers to curtail freedom of speech in 2001, it was only excessive pressure from the United States that forced Shevardnadze to remove the three ministers.<sup>2</sup> Likewise, only as a result of intense international pressure and American assistance did Georgia's national security ministry, through the efforts of then First Deputy Minister Irakli Alasania, succeed in bringing the Pankisi Gorge back under control in 2002.<sup>3</sup>

The Rose Revolution occurred very much as a result of the corruption, incompetence, and criminalization of the Georgian state. The opposition troika that led the revolution—Mikheil Saakashvili, Nino Burjanadze, and Zurab Zhvania—were all former Shevardnadze protégés who left the government due to Shevardnadze's unwillingness to part with the corrupt old guard and enforce meaningful reforms. Saakashvili then successfully marketed Georgia as a "beacon of democracy" in the post-Soviet space. Indeed, the Rose Revolution came at a time of increasing frustration with the stagnant political development in Eurasia. Authoritarian backsliding in Russia, Ukraine, Central Asia, and the Caucasus had dashed many hopes about the democratic future of the region and proven the "transition paradigm" wrong.<sup>4</sup> In Moscow, and in Central Asian capitals, the Georgian revolution was greeted with fear and dismay, showing how tenuous the hold of unpopular leaders over power could be. Not surprisingly, Askar Akayev in Kyrgyzstan reacted most vociferously to the developments, acutely aware that his situation was the most similar to Shevardnadze's. Indeed, he was deposed little more than a year later.

But it was the Ukrainian "orange revolution" that really shook the region and prompted Moscow to action. Yet it also showed the importance of Georgia's experience: Aside from the giant new Georgian flags waving throughout the demonstrations in Kyiv, it was clear that the success of the revolution in Georgia emboldened the Ukrainian opposition to unity and a peaceful course to regime change.

These developments coincided with the increasing emphasis on freedom and democracy on the part of the Bush administration. President George W. Bush's second inaugural address marked the promotion of

democracy in the wider Middle East as an important element of official U.S. foreign policy. Indeed, President Bush's May 2005 visit to Tbilisi—the first ever of a U.S. President to Central Asia or the Caucasus—marked the importance given by the administration to Georgia as a “beacon of democracy” in the wider region. In this light, Georgia is symbolically important to the prestige and image of the United States in the region.

This is further accentuated by the hangover that has been spreading throughout the region by what increasingly is viewed as American naivety regarding democracy-building. The Ukrainian revolution did not yield the expected results, with Yushchenko's coalition rapidly crumbling; Kyrgyzstan's revolution by now generally is understood as a setback rather than a success;<sup>5</sup> and the election of Hamas in the Palestinian Authority sent shockwaves of doubt regarding the wisdom of democracy-promotion, especially in the Muslim world. While these events all highlight the importance of building state institutions rather than simply holding fair elections, they do put into question the U.S. policy of pushing aggressively for democratic reform. This increases the U.S. stakes in the Georgian revolution. The survival of a sovereign, prosperous Georgian state where democracy is deepened and institutionalized becomes an important symbolical element in the promotion of U.S. interests. Should Georgia fail, then the U.S. image in Eurasia and the wider Middle East will be discredited further.

## **Energy and Trade.**

In geo-economic terms, Georgia also is crucial in the wider project of building an East-West transportation corridor. This corridor is associated most

widely with oil and gas pipelines, but carries much larger significance. Indeed, the Caucasus for the past decade has been viewed as a major opportunity to create a transit route connecting Europe to Central Asia, China, and India via the Black Sea, Georgia, Azerbaijan, and the Caspian Sea. While presently limited, the potential for continental trade to develop across this route is enormous. Georgia and Azerbaijan are the key bridge countries in this regard, on which the East-West corridor depends. The building of a railroad connecting Kars in Turkey to Akhalkalaki in Georgia, and the rehabilitation of the Akhalkalaki-Tbilisi rail line, combined with existing railroads, will connect Istanbul to the Caspian sea. Together with the building of rail lines linking Kazakhstan to China, this creates a rail connection from Istanbul to China, making it possible to ship goods fast and relatively inexpensively across Asia.<sup>6</sup> The importance of this transportation corridor was recognized implicitly by the European Union's (EU) Transportation Corridor Europe Caucasus Asia (TRACECA) program in the mid-1990s. Unfortunately, the EU did not follow up this initiative properly. Yet the economic growth and relative stability of the Caucasus and Central Asia in the past several years have provided renewed hope for the development of this transport corridor.

More obvious has been the development of a Caucasian energy corridor. In the late 1990s, the pipeline politics in Eurasia made it much less than obvious that the Baku-Tbilisi-Ceyhan (BTC) pipeline would be built. Nevertheless, due to the consistent commitment by American, British, Turkish, Georgian, and Azerbaijani governments; the increase of oil prices; and the support of the major oil companies; the pipeline eventually was decided on and constructed.



This signified a major victory for the American-sponsored concept of multiple pipelines, serving to deny any one state a monopoly over Caspian energy exports. It should be noted that this policy never sought to exclude Russia: Quite to the contrary, one of the three pipeline projects sponsored by Washington was the Caspian Pipeline Consortium, which linked the Kazakhstani city of Tengiz with Russia's Black Sea Port of Novorossiysk. The third pipeline, the only one that has yet to be realized, was the Trans-Caspian gas pipeline linking Turkmenistan to Europe over the Caucasus. The construction of the BTC pipeline was a milestone in the region's development and specifically in connecting it, factually and psychologically, with Europe's economy and security.<sup>7</sup> In an environment of increasing demand for energy with decreasing growth in oil production, the BTC pipeline brings much-needed energy resources to Europe at a critical time. Just as Europe is waking up to the risks involved in its energy dependence on Russia, this makes the Caucasus increasingly important to global economic and energy security, and specifically crucial for Europe.

BTC has been followed by the construction of the South Caucasus Gas Pipeline (SCP) linking the Shah-Deniz gas fields in the Caspian with the Turkish energy system. This pipeline is crucial to Georgia's future energy security as it will reduce Georgian dependence on Russian gas; but it also increases the importance of the South Caucasus, and thereby Georgia, in regional energy security by making it a conduit not only of oil, but also of gas.

Finally, the completion of the BTC pipeline and the finalization of the SCP pipeline changes the realities of the transportation systems of the region. If, a few years ago, connecting Central Asian energy resources

with Europe seemed utopian, the completion of BTC and SCP makes this prospect utterly realistic: Energy transportation networks that link to Europe are now available on the west coast of the Caspian, implying that they become a real option for East Caspian producers, including Kazakhstan's oil and Turkmenistan's natural gas. Indeed, Kazakhstan already has committed to exporting oil through an expanded BTC pipeline; while Turkmenistan has shown a renewed interest in gas export opportunities that are not controlled by Russia. While the shipment of Turkmen gas would only be possible through a Trans-Caspian pipeline, the shipment of Kazakh oil can and is taking place more incrementally, initially through barges across the Caspian, to be supplanted by a pipeline if quantities become large enough.

Since the inauguration of the BTC pipeline, the discussion on Trans-Caspian pipelines has been reinvigorated. The renewed European interest in this matter makes the moment auspicious for a second round of Caspian energy diplomacy to bring Caspian resources westward. This, in turn, increases the importance of the Caucasus in energy security matters: Azerbaijan and Georgia now become not only a producer region but potentially also a transit region for westward-bound energy.

## **Security.**

Soon after the smoke cleared over the Pentagon and World Trade Center, it became clear that the United States would pursue military action in Afghanistan. That action substantially altered the importance in U.S. military planning of the southern regions of the former Soviet Union. The South Caucasus and Central Asia

appeared indispensable for the successful prosecution of war in the heart of Asia. The former Central Asian republics, in particular Uzbekistan, became crucial for the basing of troops, for intelligence, and for humanitarian cooperation, as illustrated by military bases being set up in Uzbekistan and Kyrgyzstan. All Central Asian states, including neutral Turkmenistan, Kazakhstan, Georgia, and Azerbaijan, granted the United States landing rights, refueling facilities, or overflight rights.<sup>8</sup> As Socor noted, these measures were an historic breakthrough: one signifying the setting foot of western forces in the heartland of Asia, formerly the exclusive preserve of land empires.<sup>9</sup>

The South Caucasus states, chiefly Georgia and Azerbaijan, equally were vital for logistical reasons. Transporting troops and heavy materiel from NATO territory or the mainland United States to Central Asia posed additional political challenges. Even after securing basing rights in Uzbekistan and Kyrgyzstan, the U.S. Air Force still faced a virtual “Caspian bottleneck.” Transiting U.S. military forces over or through Iran was not an option. Russia was more willing to cooperate, opening its airspace for humanitarian and logistical flights, but refusing to grant the use of Russian airspace to U.S. combat aircraft.<sup>10</sup> This left only the South Caucasian states – most notably Georgia and Azerbaijan – which were among the first in the world to support the United States in its Global War on Terrorism.<sup>11</sup> Their airspace was the only realistic route through which military aircraft could be deployed from NATO territory to Afghanistan.

This development has only been reinforced by subsequent developments, including the 2003 war in Iraq and the brewing confrontation between the United States and Iran. If the South Caucasus was a

transit route with regard to Afghanistan, the increased focus on Iraq and Iran puts the Caucasus center stage in the most critical security issues of the day. As an adamantly pro-western country in the region, Georgia's importance to U.S. national security interests should be obvious. In 2002, Georgia itself became a country of U.S. military deployment. In this case, assistance came in the form of a train-and-equip program for the Georgian military instigated in early 2002 at the time of a growing crisis between Tbilisi and Moscow over the Pankisi Gorge along Georgia's northern border with Chechnya. America's involvement at this point, including the so-called "red line policy" on Georgia that sought to halt Russian encroachment on Georgian territory, effectively defused the brewing crisis. The \$64 million Georgia Train-and-Equip Program, first deployed in 2002, was renewed in 2004.

Operation IRAQI FREEDOM in the spring of 2003 further illustrated the importance of U.S. bases in the region bordering the Middle East. The Turkish parliament's decision not to permit U.S. forces to open a second front in northern Iraq was a stark reminder that the United States could not take basing rights on established allies' territory for granted. Some suggested Georgia might serve as a backup to Turkish bases.<sup>12</sup> Likewise, press reports in both the West, Russia, and Iran speculated that Azerbaijan might serve as a staging area for U.S. operations against Iran. In general, the pattern of U.S. global military repositioning indicates that a patchwork of smaller, more rudimentary, and easily upgradable military bases could develop, including in Central Asia and the Caucasus.<sup>13</sup>

It also is important to note that Georgia, like Azerbaijan, is not just a weak consumer of external security assistance. By their role in the global anti-

terror coalition and their participation in peacekeeping missions, these two countries are positive contributors to regional security. Georgia deploys 850 soldiers in Iraq, making it one of the five largest contingents of troops there; especially considering Georgia's small population, the contribution made, and the risk that Georgia incurs on the international scene through its participation, is highly significant.

Given the unrest in Iraq, the confrontation with Iran, and the increasingly difficult American relationship with Turkey, the South Caucasus by default becomes a critical region of U.S. security interests, since it has very few reliable allies in the wider region. The 2005 debacle in American-Uzbek relations, ending with the closing of the U.S. military base at Kharshi-Khanabad, further illustrated the predicament the United States finds itself in trying to pursue its interests in the region. Of course, the episode also illustrates the danger of failing to entertain and build trust in an alliance. Another unforeseen consequence of the Uzbekistan debacle was a loss of U.S. position in Central Asia. America is now left reliant on the will of the weak, poor, and increasingly incapable Kyrgyz state to allow an American base at Manas Airport outside Bishkek. There is hence little doubt that the South Caucasus is increasing in importance in the strategic realities that the United States is facing.

## **U.S. INTERESTS IN THE SOUTH CAUCASUS**

The increasing importance of security in U.S. policy towards the South Caucasus has not reduced, but rather strengthened the other main drivers of U.S. policy. First, support for the independence of the regional states increasingly has become crucial. The

experience of September 11, 2001 (9/11), is an important lesson in this regard: The reaction and response of the regional states of Central Asia and the Caucasus to the terrorist acts was correlated directly to their level of independence. States that had most strongly sought independence from Moscow in the post-Soviet period such as Azerbaijan, Georgia, and Uzbekistan were the first to extend wide-ranging offers of assistance and cooperation with the United States. On the other hand, those that had remained most closely aligned with Moscow, such as Armenia and Tajikistan, were much slower to react, unable or unwilling to make decisions independently; instead they awaited Moscow's reaction. Second, the importance of Caspian oil has increased. Soaring oil prices, decreasing stockpiles, the strengthening of hardliner power in Iran, unrest in Iraq, and instability in Saudi Arabia and Venezuela all have contributed to making the Caspian region seem increasingly attractive, and indeed peaceful and stable, as an oil supplier. Finally, the Rose Revolution in Georgia, and the significant U.S. role in it, in a sense have disproved the thesis that strategic engagement on the part of the United States automatically leads to a larger reliance on authoritarian regimes.<sup>14</sup>

U.S. relations with Azerbaijan are another indication of this. In spite of the considerable U.S. interests in the country, Washington, at least diplomatically, has kept Baku at arms' length since the 2003 elections that brought Ilham Aliyev to power. Aliyev was not invited to Washington until April 2006, generating considerable dismay in Baku. Finally, the U.S. Congress in July 2004 decertified Uzbekistan on the basis of its failure to improve its Human Rights situation, thereby freezing substantial portions of U.S. aid to the country. As the events in Georgia and Ukraine show,

the Bush administration is pragmatically supportive of democratization efforts. Where opposition forces have widespread public support and incumbent regimes lack legitimacy, U.S. efforts at promoting a peaceful regime change do take place. But where opposition is weak and divided and incumbent regimes enjoy a modicum of public legitimacy as in Kazakhstan and Azerbaijan, pragmatism prevails.

In sum, America has three inter-linked sets of interests in the South Caucasus, and Georgia specifically: The building of Georgia's statehood and democracy is important both symbolically and practically; the growing scarcity of energy supplies makes the Caucasus a critical bottleneck; and the increasing importance of the South Caucasus in regional security matters is increasingly undeniable. All these factors combine to make Georgia, like Azerbaijan, increasingly important and indeed pivotal countries to U.S. National Security interests.

## **RUSSIAN POLICIES**

Against the background of increasingly crucial American stakes in the South Caucasus in general and Georgia specifically, Russia's policies in the past several years are a strong concern which worsened seriously in 2006. The question constantly has been, however, whether U.S. interests in Georgia are important enough to warrant a more confrontational policy toward Moscow, given the wide set of issues in U.S.-Russian relations. In order to address that question, however, it is necessary to put Russian policies toward Georgia in perspective. As was discussed earlier, Russia's policies toward Georgia are exceptional in their boldness, even in the post-Soviet space.

Russian policies toward the Caucasus in the 1990s are fascinatingly similar to its policies in the region in the 19th and early 20th centuries. The most direct consequence of the dissolution of the Soviet Union for the Caucasus was the achievement of independence for the three South Caucasian states of Armenia, Azerbaijan, and Georgia. Much as had been the case in 1918, the Caucasian states were set free of Russian control because of Russia's more pressing domestic problems and issues. In 1918, the Bolshevik revolution needed to be consolidated before the new leadership could embark on a *reconquista* of the territories ruled by Czarist Russia. Likewise, in 1991, the new liberal democratic Russia needed to be built and consolidated, necessitating a loosening of the grip on the peripheries. On both occasions, Moscow recognized the independent Transcaucasian states of Armenia, Azerbaijan, and Georgia, and for a short period did not have any outright and direct ambitions on them. However, both in 1920 and in 1993, less than 2 years after the respective declarations of independence of these states, a drive to reassert control over the region emerged. While the two periods are similar in many ways, the differences between them are equally important. While Bolshevik Russia in 1920-21 overran the Caucasian states militarily and incorporated them forcefully into the emerging Soviet Union, Russia in the 1990s was both unable and unwilling to do so.

## **INDEPENDENCE AND THE RUSSIAN "RECONQUISTA"**

The independence of the three South Caucasian states in 1991 meant a very tangible loss of Moscow's control over the Caucasus. Furthermore, a fourth



republic had declared independence in the same period: Under the leadership of former air force General Jokhar Dudayev, Chechnya aspired to membership in the community of independent nations, thereby seceding not only from the Soviet Union, but also from the Russian Federation. In spite of this direct challenge to Russian statehood, Moscow initially focused its energy on reasserting control over the South Caucasus, while ignoring the Chechens' de-facto independence for almost 3 years. This corresponds exactly to the Russian incorporation of the Caucasus in the 19th century: Russia achieved control of the South Caucasus through peace treaties with Iran in 1813 and 1828, by which date Russian control over the region was indisputable. This policy began with the protectorate over Georgia with the Treaty of Gorgevsk in 1783, and was completed by the annexation of Georgia in 1801. In the decades that followed, Georgia was a crucial staging point for Russian military operations in the North Caucasus, where the small mountain peoples ferociously fought the Russian onslaught. But the struggle continued in the North Caucasus for 3 more decades, until the Chechen-Dagestani rebellions were subdued in 1859, followed by the defeat and expulsion of most Circassians in 1864. Hence Russia securely controlled Georgia over half a century before it established control over the North Caucasus.

Russia's modern-day *reconquista* began almost immediately after the dissolution of the union, and much like in the 19th century, Russia focused on securing control over the South Caucasus *before* it attempted to reassert control of Chechnya, in spite of Chechnya being within the Russian Federation's borders. Moscow was involved heavily in the conflict over South Ossetia, threatening military action against

Georgia on more than one occasion, and played an important role in all conflicts of the region including providing arms to various fighting factions, often simultaneously to both warring parties. Overtly, a clear Russian policy towards the South Caucasus evolved rapidly, based on three major principles: First, the Caucasian states should be members of the CIS, which Georgia had never joined and Azerbaijan had not ratified; second, the “external” borders (meaning Soviet external borders with Iran and Turkey) of these states were to be guarded by Russian border troops; and third, Russian military bases should be present on the territory of the three states.<sup>15</sup>

In practice, Moscow first succeeded in asserting control over Armenia. This was logical, given Erivan’s rapidly developing involvement in warfare on the territory of Azerbaijan. Turkey’s increasingly pro-Azerbaijani stance, and its economic embargo enforced on the country, compelled Armenia to accept any support it could receive—and Russia was more than forthcoming. A military agreement was signed in May 1992, whereby Armenia complied with Russia’s three demands. After Armenia, Russian policy focused on Georgia. In July 1992, Moscow enforced a cease-fire agreement between Georgia and South Ossetia which led to South Ossetia’s de facto independence, and the interposition of Russian troops on the administrative border separating the region from the rest of Georgia. Russia repeatedly had offered Georgia military assistance conditional on its acquiescence to Russia’s three demands.<sup>16</sup> Shevardnadze nevertheless refused.

As soon as the guns went silent in South Ossetia, turmoil began in the northwestern Autonomous Republic of Abkhazia. Abkhaz leaders displayed a self-confident attitude and claimed that Abkhazia

was “strong enough to fight Georgia” in spite of a debilitating numerical inferiority. (The Abkhaz number only 100,000, whereas Georgians are over four million, with more than 200,000 in Abkhazia at the time.)<sup>17</sup> As Abkhazia declared independence, undisciplined Georgian paramilitary forces invaded Abkhazia, committing grave violations on their way. By October, Georgian forces faced a well-armed Abkhaz counteroffensive, supported by heavy artillery, North Caucasian volunteers, and air support. The origin of these weapons was obviously Russian. Later in the war, Russia’s blatantly direct involvement was exposed as an unmarked fighter aircraft was shot down whose pilot turned out to be a Russian air force officer in full uniform.<sup>18</sup> By October 1993, Abkhazia had gained the upper hand militarily, evicted Georgian forces as well as over 200,000 ethnic Georgian civilians from the territory of Abkhazia. Again, Russia during the entire war offered Georgia direct military support should it consent to the three Russian demands of CIS membership, Russian border troops, and military bases. Georgia kept refusing, and hence lost Abkhazia after the Abkhaz heavy weaponry stored by Russian forces mysteriously found its way back into the Abkhaz hands.<sup>19</sup>

After the loss of Abkhazia, a large-scale mutiny suddenly took place in the Georgian military, threatening to lead to the total disintegration of the Georgian state. Shevardnadze was forced to accept Russia’s demands, and Russian forces moved in to help Shevardnadze crush the mutiny as quickly as it had emerged. Russia took control over Georgia’s Turkish border, and established four military bases in strategic locations around Georgia: At Vaziani just outside the capital; in Gudauta in Abkhazia; in Batumi

in Ajaria, an autonomous republic independently ruled by a local chieftain; and in Akhalkalaki, center of the restive Armenian minority. Georgia, however, never ratified these agreements, making the legal status of the Russian military presence highly doubtful. Only in 2006 was Georgia able to reach an agreement with Russia on the withdrawal of its bases and troops from Georgian territory.

The center of events during the summer of 1993 moved to Azerbaijan. A renegade military commander, Surat Huseynov, had withdrawn his troops from the Karabakh front, leading to the Azerbaijani loss of Kelbajar to the west of Karabakh. Huseynov then retreated to his native Ganja, barracking near the Russian 104th airborne regiment's base. The Azerbaijani government that year had managed to secure Russian agreement to withdraw the Ganja base by the end of 1993, despite Russian assurances that, if granted a long-term presence, the 104th regiment could be very useful to Azerbaijan in its war with Armenia. Yet in May, the 104th regiment suddenly left Azerbaijan, leaving the better part of its armaments to Huseynov. Huseynov's ensuing rebellion led to the collapse of the Popular Front government, the loss of four provinces to the East and South of Karabakh, and almost led to Huseynov taking over power. Only the arrival of Heydar Aliyev, former Communist Party boss of Azerbaijan, prevented this, though the latter was forced to strike a deal with Huseynov, who assumed the position of prime minister, as well as the portfolios of defense and interior. Aliyev implemented Azerbaijan's accession to the CIS, and promised substantial discussions on basing rights and border troops, but demanded that that wait until the war in Karabakh ended. Aliyev thereby was able to obtain the release of armaments from Soviet military

depots, and could now thwart the Armenian offensive and even regain some lost ground. By early 1994, the conflict had come to an equally hurting stalemate for both sides, and a cease-fire was signed, which has held ever since.

Aliyev nevertheless proved to be a master negotiator, and continued to refuse Russian border troops or military bases. Instead, he focused on developing the oil resources of the Caspian Sea, and sped up negotiations with foreign, mainly American, oil companies. Hence Azerbaijan started slipping away even before Russia had managed to get a grip on it. Development of oil resources with American and western companies would not only bring Azerbaijan economic resources, it also would increase the country's value in western capitals, and increase western interest in the region. Even officially, Russia remained adamantly opposed to unilateral exploitation of oil resources by littoral states of the Caspian. Hence it should have come as no surprise that only days after the signing of a U.S.\$7 billion oil deal that earned the name "the contract of the century," Huseynov attempted another coup, this time to unseat Aliyev. Aliyev nevertheless managed to capitalize on his public support to deflect the coup, forcing Huseynov to flee the country. Aliyev thus had managed both to secure a cease-fire (albeit a detrimental one) and to rid himself of a Russian-supported contender for power. Hence Azerbaijan did not succumb completely to Russian influence.

One way of controlling Azerbaijan, however, was through the very factor which could bring it true independence: its oil resources. The only operational pipeline able to carry Azerbaijani oil to world markets was the Baku-Novorossiysk pipeline, or the so-called "northern route." Oil companies were to decide on

the main export route, and faced a major challenge in identifying the best route. The most economical route through Iran was ruled out for political reasons: A pipeline to the Turkish Mediterranean coast was both expensive and dangerous, passing through or in the vicinity of areas that were then plagued by a bloody war between Turkish troops and the Kurdish-Marxist separatist PKK. Clearly, oil companies would tend to prefer the existing Russian route, which could be upgraded for a reasonable cost to carry the envisaged amounts of oil. However, the pipeline route passed through Chechnya, where Dudayev was presiding over a self-proclaimed independent state to which the oil companies would be unlikely to entrust their oil resources. Whereas Moscow would have preferred to establish control over the South Caucasus before dealing with the problems in the North, just like in the previous century, Russian control over Azerbaijan had now become related directly to control of Chechnya. Numerous other factors undoubtedly intervened, but a major reason for the timing and the imperative to invade Chechnya in late 1994 undoubtedly was related to Azerbaijani oil.

## **THE SLIPPING OF THE CAUCASUS, 1996-99**

If Russia had succeeded in subduing Chechnya, it is fairly likely that it also would have succeeded in remaining the dominant power in the South Caucasus. However, that did not happen. After months of fighting that revealed the incompetence and brutality of the Russian armed forces, Chechen rebels managed to conquer Grozny in August 1996 in perhaps the most important event of the Caucasus after the dissolution of the Soviet Union. The Chechen victory and the

humiliation of the Russian military dramatically changed the situation in the Caucasus. Azerbaijan increased its pro-western orientation, and investments in its oil industry grew at a massive speed. It was joined by Georgia, which, despite Russian troops and border guards, developed an equally pro-western attitude adamantly opposed to Russian imperialism. In Central Asia, Uzbekistan joined in the chorus, with President Islam Karimov denouncing perhaps more harshly than anyone the imperial tendencies and policies of the Kremlin. Western attention grew commensurately: The United States in particular declared its strong interest in the region by early 1997, with the EU moving in to sponsor the TRACECA transport corridor program, most openly by a 1998 conference in Baku fittingly entitled the "Silk Road."

After the miscalculations of the early 1990s, Turkey now reengaged the Caucasian states, supporting the restructuring of the Azerbaijani military and rapidly developing its ties to Georgia to the level of a strategic partnership. By 1998, Georgia and Azerbaijan openly spoke of their aim of NATO membership, Azerbaijan even going so far as to float the idea of NATO military bases on its territory.<sup>20</sup> Meanwhile, Russia desperately hung on to its regional anchor, Armenia, delivering among other things, complimentary arms shipments worth over U.S.\$1 billion.<sup>21</sup> By 1999, even Armenia had begun to question its excessive dependence on Russia, and Armenian leaders became frequent visitors in Washington. Imminent headway in negotiations over Mountainous Karabakh threatened to deprive Moscow of its Caucasian anchor, as peace with Azerbaijan also in all likelihood would lead to the partial normalization of Turkish-Armenian relations, and thereby reduce dramatically Armenia's dependence on Moscow.

## **1999: Vladimir Putin and the Turning of the Tide.**

If this indeed was the perception in Moscow, the root of Russia's weakness also must have been easy to identify: Chechnya. It was the defeat in Chechnya that had relegated Russia from a superpower to a second-rate power; that had emboldened anti-Russian and pro-western forces in the South Caucasus and arguably also Central Asia; and that had extinguished the prospects of the Baku-Novorossiysk pipeline and made the BTC pipeline increasingly feasible in spite of its exorbitant price tag. In fact, it was the defeat in Chechnya that prevented Moscow from projecting its influence in the South Caucasus, while other powers increasingly did so. Only by addressing the problem at its roots, obliterating the source of instability and restoring firm control over the North Caucasus, could Russia reclaim its lost ground in the South. The logic of the 19th century was now stood on its head. This also would send a signal to the West that Russia was not to be discounted, that the Caucasus would remain a Russian prerogative, and that western involvement there would take place on Russia's terms.

While restarting the war in Chechnya, President Putin followed a determined policy to rebuild the Russian state. His focus was on restoring the vertical element of power by reasserting control over state bodies, reigning in the regions by abolishing Russian Federalism effectively, and staffing state institutions with individuals with a background in the security services. An important corollary also was the refocusing of Russian foreign policy that took place: While Russia dismantled remaining military ties to faraway countries like Cuba and Vietnam, it focused much more clearly on the "near abroad," in order to halt the slippage of its influence across the region.



Initially, the policy seemed to pay off. The Russian military seemed to have learned some lessons from its last failures in Chechnya, and moreover, the rhetoric emanating from Tbilisi, Baku, and Tashkent suddenly softened dramatically. Everyone's eyes were set on Chechnya, as leaders understood that if Chechnya succumbed to Russian arms, Moscow's *reconquista* would not stop there—someone would be next. President Putin also showed his diplomatic skills. When the army was caught using vacuum bombs on Chechen civilians, or when the executive cracked down on the independent media, Putin toured European capitals, telling European leaders exactly what they wanted to hear: that Russia was not slipping into authoritarianism, but merely needed to establish law and order, protect itself against Islamic “terrorism,” and crack down on corruption. The President thereby ensured European criticism would remain at a manageable level. Whereas the United States would be a tougher nut to crack, Mr. Putin was aided by America's preoccupation with its upcoming presidential election. It is hardly a coincidence that Moscow's bout of arm-twisting on Georgia in early 2001, including the cutting of energy supplies and the introduction of a discriminatory visa regime, occurred precisely when world attention was concentrated on the hung presidential election in Florida. After 9/11, of course, Putin quickly cloaked the Chechen issue in terms of terrorism, thereby for all practical purposes doing away with American criticism.<sup>22</sup>

In a parallel development in the fall of 1999, the murders in the Armenian parliament killed the peace process between Armenia and Azerbaijan, and made Kocharyan the sole power-broker in Armenian politics. No evidence of Russian involvement has

been found, yet the suspicion on the part of regional observers of Russian involvement was only heightened by the revelation by former Russian intelligence officer Alexander Litvinenko—whose recent murder in London by polonium poisoning created a rift in Russian-British relations—that Russia’s military intelligence services had been behind the murders.<sup>23</sup>

One of the most important elements of the policy was to embark on a new offensive in the South Caucasus, focusing especially on Georgia, though initially, Azerbaijan was equally a target. Vociferous Russian allegations that Azerbaijan and Georgia supported Chechen separatists were voiced, claiming without proof that a thousand Taliban fighters had crossed Azerbaijani and Georgian territory to get to Chechnya. Nothing to corroborate this ever was produced. Moscow then followed up by gradually increasing its pressures on Georgia, with a mixture of economic and subversive levers, while normalizing relations with Azerbaijan.

The difference between the two was related to several factors. First, Putin and Heydar Aliyev both had a past in the KGB and could connect on a personal level; second, Azerbaijan was a stronger state with fewer minority problems, making Georgia the weak link that Russia focused on; third, a focus of Russian policy was to split the Georgian-Azerbaijani strategic partnership by pressuring Georgia and wooing Azerbaijan; fourth, Russian leaders generally applied an emotional streak to relations with Georgia, feeling that its pro-western policy was much more of a betrayal, being culturally closer to Russia; and, fifth, the more aggressive and outspoken Georgian policy style mattered much in angering Moscow, whereas Azerbaijan’s policies were more discrete, in spite of being very similar to Georgia’s.

Russia's renewed policies of reigning in independent-minded states in the CIS showed both continuity and change. Russia continued using and refining time-tested strategies of utilizing ethnic tensions and unresolved civil wars that it itself had helped instigate to weaken Georgia. After having imposed a discriminatory visa regime that slammed visas on Georgians but exempted residents of Abkhazia and South Ossetia from this requirement, Moscow began to extend Russian citizenship en masse to the populations of these two regions. This was followed by a claim of a right to defend the interests of Russian citizens abroad, militarily if necessary. Discussions of annexation of these regions began to be heard in Russia, primarily in the Duma; meanwhile, Russian resistance to all efforts to internationalize mediation, negotiation, and peacekeeping in the conflict zones became more hard-necked. Indeed, while sponsoring the holding of referenda on independence and similar provocative steps in South Ossetia, as well as in Moldova's secessionist region of Transnistria, Moscow began overtly calling for a "Kosovo" model to be applied to these territories, whereby a referendum of independence would be held, leading to the separation of the territories from Georgia.

Seeing no audible international reaction to its aggressive steps, Moscow in effect had dropped any pretense of neutrality in the conflict in or around 2004. It began appointing Russian officers to the military and security services of the self-styled governments in Abkhazia and South Ossetia. Hence Abkhazia's defense minister and chief of staff are both former Russian officers; neither is even ethnically Abkhaz. Likewise, two Russian officers serve as defense minister and head of the security service in South Ossetia.

All these measures indicate a continuation of the use of the territorial conflicts to undermine Georgia's stability and thwart its prospects of regaining its territorial integrity. To that, Russia added new instruments of policy, chiefly exploiting the economic dependence of Georgia on Russia and other post-Soviet states like Ukraine and Moldova. Georgia's energy dependence on Russia was used repeatedly to pressure Tbilisi, Moscow cutting gas supplies, often at times of tense political negotiations over Russian bases, and even at times when gas supplies had been prepaid, as was the case in 2001. In 2006, coinciding with the Russian-Ukrainian energy crisis, supplies to Georgia were cut after mysterious explosions on Russian territory had destroyed the pipelines and power lines carrying gas and electricity to Georgia—just as the price of gas had been doubled. Only months later, Russia imposed a total ban on imports of Georgian and Moldovan wine (almost 80 percent of the market for both producers) citing health concerns—the same week as a final agreement on the withdrawal of Russian bases in Georgia had been signed.

Following the Georgian arrest in September 2006 of four Russian officers on charges of espionage, Moscow broadened this to a full embargo, banning all transport and postage links with Georgia as well as trade. Flush with petrodollars, Moscow has poured millions of dollars into anti-government media and political figures in Georgia, and strongly increased its covert activities there. Now, for lack of better options, Moscow has turned to pogrom-like harassment of ethnic Georgians living in Russia, closing down shops and restaurants and deporting ordinary people. Most worrisome has been the Russian government's decision to force Russian schools to register and report all children

with Georgian surnames, a blatant and obviously unconstitutional form of ethnic discrimination.

Meanwhile, Russian foreign policy has developed into an increasingly assertive campaign to reassert control over the entire CIS. A first element in this was the gradual use of economic levers, especially energy, as a tool of Russian policy. In tandem with Gazprom for natural gas and UES for electricity, Moscow successfully has acquired a near-monopoly over the transport and export of natural gas in the former Soviet Union. This has entailed using political levers to acquire long-term deals to buy Central Asian producers' gas at low prices, to the tune of \$50 per thousand cubic meters; this is gas that Russia then uses itself to free up export capacity for gas sold to western and eastern European countries for about \$250 per thousand cubic meters—a profit margin only possible by preventing Central Asian producers from reaching markets independently. As for electricity, UES has managed to acquire control over production as well as distribution of electricity in most CIS countries, including in Central Asia as well as Armenia and Georgia. A favorite technique has been the use of debt-for-asset swaps, in which state debts to Russia are written off in exchange for controlling stakes in strategic enterprises, such as electricity distribution lines, Armenia's nuclear power plant, etc.—thus giving Russia a long-term economic influence over these countries that no political upheavals or even memberships in NATO or the EU, in the future, could reverse.<sup>24</sup>

This process of reassertion of Russian might was challenged by the revolutions in Georgia and Ukraine, which brought pro-western forces to power, alarmed the Russian leadership that it was losing influence rapidly, and introduced an ideological element into

the geopolitics of Eurasia—one that it sought to manipulate by offering to protect the regime security of concerned authoritarian leaders faced with ever stronger western calls for democracy. Hence by 2005, Russia helped convince Uzbekistan's leadership to close down the American base at Karshi-Khanabad, and began to work for the complete removal of America's military presence in Central Asia.<sup>25</sup> In Moldova, Russia continued to support the Transnistrian separatist region that remained outside Moldovan control, while exerting pressure on Ukraine to refuse western pressures to impose customs controls on its borders with Transnistria.<sup>26</sup> In Belarus, as unsuccessfully in Ukraine before that, Moscow strongly supported authoritarian leader Aleksandr Lukashenko in his efforts to prevent an electoral defeat.

The evolution of Russian policy in the former Soviet space is relatively clear. From 1999 onwards, Putin's Russia increasingly has moved in a nationalistic direction, and sought to prevent western encroachment in what it views as its backyard. In the Baltic states and Ukraine, not to mention Georgia and Moldova, Russia has used what could diplomatically be called "unconventional methods" to safeguard its interests and prevent the slippage of these countries into what Moscow views as a "western sphere of influence." In other words, Moscow blatantly has interfered in the internal affairs of these countries, utilizing their economic dependence on Russia and manipulated territorial conflicts to undermine the stability, independent policy formulation, and development of these countries. The purpose of the policy seems obvious: to maintain the dependence of the CIS countries on Russia, making Russia the primary and ideally sole arbiter in the international politics of Eurasia.

## IMPLICATIONS FOR THE WEST

This conundrum poses a serious challenge for the United States, as well as for European Powers. The South Caucasus, and specifically Georgia and Azerbaijan, are becoming increasingly crucial to western interests for the variety of reasons mentioned above. On the other hand, Russian policies in Eurasia generally, and in Georgia specifically, are directly undermining the interests of the United States. Indeed, as already mentioned, it is clear that the present Russian leadership views its relationship with the United States in Eurasia exclusively in zero-sum terms: Whatever is in the U.S. interest is unfavorable for Russia, etc. On the other hand, American officials consistently have attempted to cloak U.S.-Russian relations in the region in win-win terms, attempting to convince Russian officials that America's activities there are also in Russia's interests and are not in any way intended as hostile measures against Russia.

This, objectively, may be true: Indeed, America's toppling of the Taliban regime in Afghanistan addressed one of the leading stated Russian security concerns. In return, Russia instead increasingly has called for the withdrawal of American forces in Central Asia crucial to this operation; thereby threatening to jeopardize Afghanistan's stability, which in turn would threaten Russia's stated security interests in Central Asia and those of the Collective Security Treaty Organization and Shanghai Cooperation Organization which it purports to champion. Clearly, Russia does not seek to find mutual interests with America in the CIS; quite to the contrary, its policies are openly antagonistic.

This clarifies an important matter regarding Russia's foreign policy priorities: Russia accords

higher importance to countering American influence in Central Asia and the Caucasus than to the concrete security concerns in these regions. Russian government officials' statements and actions indicate that they prefer an unstable Central Asia and the Caucasus without American presence to a stable region with a significant element of American presence. In this environment, U.S. efforts to seek a win-win scenario with Russia obviously are flawed. Even issues that by our objective thinking should seem to be in the interest of Russian policymakers, such as a stable Afghanistan or solving the Nagorno-Karabakh conflict, are not perceived as such by them because they are perceived to advance America's interests.

Washington's policies of seeking common ground with Russia can be outrightly damaging to its own interests. Most recently, in October 2006, at the height of the North Korea nuclear crisis, the State Department joined Russia in a United Nations (UN) Security Council resolution on the Abkhazia conflict that praised the existing Russian peacekeeping forces. This sent all the wrong signals. To Georgia, it sent a shock wave of worry that America was ready to sell out crucial Georgian interests for the sake of Russian acquiescence on a North Korea resolution. To Russia, it sent the signal that gunboat diplomacy still works, and that America will yield when subjected to sufficient pressure. To the rest of the region, it exacerbated doubt regarding America's credibility as an ally.

Instead of decrying Russia's flagrant violations of international law, American and European policymakers have found it convenient to blame the victim. The State Department-sponsored resolution at the UN not only praised the dysfunctional Russian peacekeeping forces, but also blamed Georgia for



restoring control over the Kodori Gorge in the summer of 2006. The Kodori Gorge is a wayward part of Abkhazia that had been under the sway of criminal gangs, and never even nominally controlled by the Abkhaz forces. Indeed, while American policy has been the restoration of control over lawless regions as such areas are understood to be a breeding ground for terrorism, America instead castigated Georgia for upsetting the status quo. American and European leaders that routinely urge "caution" when talking to Georgian leaders also counsel them to trust the work of "peace processes" and international institutions under the auspices of the UN and the Organization for Security and Cooperation in Europe (OSCE).

But these "processes" are not only moribund, they are excuses for inaction on the part of American and European leaders. For a decade and a half, western leaders have chosen not to invest serious time and effort into seeking to resolve the conflicts of the Caucasus, including those in Georgia but also that of Nagorno-Karabakh in Azerbaijan. To some, these conflicts have appeared too intractable; to others, prominently represented in the State Department, engaging to solve them was not worth the cost of a potential Russian reaction. The result? Everyone entertains peace processes that demonstrably have failed to produce results because they are fundamentally flawed.

Little wonder, then, that Mr. Saakashvili's government has had enough with western urges of restraint and caution. Georgian leaders correctly understand these admonitions as calls to accept a situation that keeps their country divided and beleaguered. The same western leaders show little interest in helping Georgia resolve these fundamental obstacles to the building of a functioning state. Instead,

Georgia's leadership decided to take the initiative. It reasserted control over the unruly Kodori Gorge and is investing in the infrastructure of that region. It has invested in building a functioning military force that puts it into a different negotiating position. It has pledged to declare the Russian peacekeeping forces illegal unless they behave as peacekeeping forces should. It has asked the international community for what is taken for granted in other conflict-ridden zones such as Lebanon: a neutral, professional peacekeeping and police force under the UN umbrella. Meanwhile, it has presented serious and fair proposals as to how the two conflicts may be resolved peacefully. Instead of lauding Georgia's legitimate ambitions, western leaders blast Georgia's defense spending for creating instability in the region, and urge it to stick to existing mechanisms for conflict resolution, in spite of their utter failure.

## **IMPLICATIONS**

A number of implications flow from this analysis, some in the field of general policy and some in the form of concrete measures.

1. U.S. policy towards Russia needs to be reassessed. Appeasement policies, which is what the United States has been attempting, have failed, for the simple reasons that appeasing a counterpart motivated by zero-sum thinking is not possible. Indeed, far from revising policies, so far no assessment has even been made as to whether the appeasement policies of the past decade have had the desired effect. Such an assessment is direly needed, and will, in all likelihood, show that the policies have not reached their stated goals, instead emboldening an increasingly assertive and aggressive Russian policy.

2. Russia's machinations in Uzbekistan, Georgia, and elsewhere have been successful partly because the United States has lacked a coherent, stated policy toward the region, or functioning coordination between its government agencies. This has entailed, first, that local countries such as Georgia, Azerbaijan, or Uzbekistan have been left guessing as to the extent and nature of America's commitment to their security and sovereignty; and, second, that Moscow has been able to exploit this incoherence to its advantage.

3. As a result, the United States needs to state its long-term policy priorities toward this region. The latest policy statement of U.S. interests in the Caucasus and Central Asia was made by Deputy Secretary of State Strobe Talbott at an address to the Central Asia-Caucasus Institute in 1997; nothing similar has taken place since then. Presently, the upcoming Silk Road Strategy Act II, sponsored by Senator Sam Brownback, provides a good initiative for coordinated executive and congressional policy toward the region. For U.S. policy to have credibility and predictability, a policy statement by a senior official of the administration is necessary.

4. The U.S. Government policy toward the region, as any other region, involves a multitude of governmental bodies, including the White House; Departments of State, Defense, Treasury, Commerce, and Energy; U.S. Agency for International Development (USAID); Congress; and others. Little or no active coordination exists at present between these, and occasionally their interests and policies are in outright confrontation, as is sometimes the case with the Departments of State and Defense. The lack of coordination is painfully clear from the Uzbekistan debacle.<sup>27</sup> The U.S. Government therefore should consider appointing an interagency coordinator for Eurasia policy.

5. In bilateral relations with Moscow, only a frank statement of American policy and interests works; clarity and predictability undermines the room for Russian manipulation in Eurasia. The track record shows that hesitance on the West's behalf results in Russian counteroffensives; on the other hand, Russia normally accepts and moves on when it becomes clear it will not be able to reverse a certain development, as long as that does not infringe on its vital national security interests, as opposed to its neo-imperial ambitions.

6. America should make its commitment to Georgia's acceptance of Membership Action Plan status with NATO and eventual NATO membership even more clear than it is presently, and furthermore stress that Russian manipulation of the "frozen conflicts" will not affect Georgian prospects for NATO membership. The United States also should work with European NATO members to enlist their support.

7. America should strengthen its commitment to the internationalization of the peacekeeping and mediation structures in the "frozen conflicts." The Russian domination over the peacekeeping and mediation of these conflicts is obsolete, reflecting the geopolitical situation of the early 1990s, when the West had few stated interests in this region. With increasing American and European interests there, it is abnormal that Russia to this day monopolizes or dominates conflict resolution efforts and peacekeeping in the conflict zones. The Georgian parliament's recent efforts to internationalize peacekeeping hence should be endorsed and supported. Instead of bowing to Russian interests at the UN Security Council, America needs to work with Georgia to find an honorable alternative that may keep a Russian contingent in place, but under

a clear international mandate and in conjunction with troops from third countries.

8. Concomitantly, America, in cooperation with the EU, needs to increase its activity in the conflict resolution efforts in Abkhazia, South Ossetia, and Karabakh. It is significant that the mandate of the new EU Special Representative to the South Caucasus has been expanded to foresee a stronger role in conflict resolution. America should use this opportunity to work together with the EU in this respect. This could include, if necessary, stepping outside of the existing format of negotiations, such as that of the OSCE Minsk Group in Karabakh, the Joint Control Commission in South Ossetia, or the Friends of the Secretary General in Abkhazia.

9. The United States and the European Powers must vocally protest the moves toward de facto Russian annexation of Abkhazia, South Ossetia, and Transdniestria, and state that Russian policies there are in complete contradiction of international law and the principles of international relations. Such behavior on the part of Russia must be understood to come at a cost, which presently is not the case.

10. Finally, the United States and the European Powers should also make it clear to Russia that the use of economic leverage for political purposes – whether using energy dependence to undermine Ukraine or Georgia or banning import of Georgian and Moldovan wine on bogus charges, let alone a full-scale embargo – is unacceptable and incompatible with Russian aspirations to world Trade Organization (WTO) membership, especially as Georgia and Moldova are members.

## ENDNOTES

1. Vladimir Socor, "A Tale of Two Post-Soviet Countries," *Wall Street Journal Europe*, December 19, 2003.
2. Jaba Devdariani, "Georgia: Rise and Fall of the Façade Democracy," *Demokratizatsiya*, Winter 2004.
3. Ariel Cohen, "Moscow, Washington and Tbilisi Wrestle with Instability in the Pankisi Gorge," *Eurasianet*, February 19, 2002.
4. Thomas Carothers, "The End of the Transition Paradigm," *Journal of Democracy*, Vol. 13, No. 1, 2002.
5. See Erica Marat, *The Tulip Revolution: Kyrgyzstan One Year After*, Washington, DC: Jamestown Foundation, March 2006.
6. Taleh Ziyadov, "The Kars-Akhalkalaki Railroad: A Missing Link Between Europe and Asia," *Central Asia-Caucasus Analyst*, April 19, 2006, pp. 5-6.
7. S. Frederick Starr and Svante E. Cornell, eds., *The Baku-Tbilisi-Ceyhan Pipeline: Oil Window to the West*, Washington and Uppsala: CACI&SRSP Joint Center, 2005.
8. Colin Robinson, "Worldwide Reorientation of U.S. Military Basing: Part II: Central Asia, Southwest Asia, and the Pacific," Center for Defense Information, Military Reform Project, October 7, 2003, [www.cdi.org/friendlyversion/printversion.cfm?documentID=1759](http://www.cdi.org/friendlyversion/printversion.cfm?documentID=1759).
9. Vladimir Socor, "Cheek by Jowl in Kyrgyzstan," *The Wall Street Journal*, August 8, 2003.
10. Adam Albion, "U.S. Men and Materiel Reportedly Land in Uzbekistan," *RFE/RL Central Asia Report*, Vol. 1, No. 10, September 28, 2001.
11. Kenneth Yalowitz and Svante Cornell, "The Critical but Perilous Caucasus," *Orbis*, Vol. 48, No. 1, 2004.
12. Igor Plugatarev, "Georgia is Prepared to be a Staging Area for the United States," *Nezavisimaya Gazeta*, February 14, 2003.
13. David Rennie, "America's Growing Network of Bases," *The Telegraph*, November 9, 2003; Paul D. Wolfowitz, Statement Before House Armed Forces Committee, U.S. House of Representatives, June 18, 2003, [armedservices.house.gov/openingstatementsandpressreleases/108thcongress/03-06-18wolfowitz.html](http://armedservices.house.gov/openingstatementsandpressreleases/108thcongress/03-06-18wolfowitz.html); Esther Schrader, "U.S. to Realign Troops in Asia," *Los Angeles*

*Times*, May 29, 2003, p. 1; Peter Grier, "Lighter Footprint, Longer Range," *Air Force Magazine*, October 2003, pp. 48-53.

14. See Charles Fairbanks, "Georgia's Rose Revolution," *Journal of Democracy*, Vol. 15, No. 2, April 2004, pp. 110-124.

15. Fiona Hill and Pamela Jewett, "*Back in the USSR*": *Russia's Intervention in the Internal Affairs of the Former Soviet Republics and the Implications for United States Policy Toward Russia*, Cambridge, MA: Harvard University, JFK School of Government, Strengthening Democratic Institutions Project, January 1994; Richard F. Staar, "Moscow's Plans to Restore its Power," in *Orbis*, Vol. 40, No. 3, Summer 1996.

16. Interviews with high-level Georgian government officials, Tbilisi, 1998.

17. "Georgia: Abkhazia 'Strong enough to Fight Georgia'," *BBC Monitoring Service*, July 30, 1992.

18. Irakli Kakabadze, "Russian Troops in Abkhazia: Peakeeping or Keeping Both Pieces," *Perspectives on Central Asia*, Vol. 2, No. 6, September 1997, [www.eisenhowerinstitute.org](http://www.eisenhowerinstitute.org); Thomas Goltz, "Letter from Eurasia: The Hidden Russian Hand," *Foreign Policy*, Fall 1993, p. 108.

19. *Times of London*, September 30, 1993; *Economist*, October 2, 1993.

20. As stated by Presidential advisor Vafa Guluzade to *Nezavisimaya Gazeta*, February 27, 1999.

21. As revealed by a federal investigation conducted by General Lev Rokhlin, then Chairman of the Russian Duma's Defense Committee in April 1997. See "Rokhlin Details Arms Supplied to Armenia," *Sovetskaya Rossiya*, April 3, 1997.

22. See Svante E. Cornell, "The War against Terrorism and the Conflict in Chechnya: A Case for Distinction," *Fletcher Forum of World Affairs*, Vol. 27, No. 2, Fall 2003.

23. According to Ruzanna Stepanian, "... the 1999 shootings in the Armenian parliament were organized by Russia's GRU to prevent the signing of a peace agreement resolving the Nagorno-Karabakh conflict." See Stepanian, "Armenian Officials Deny Russian Role in 1999 Parliament Carnage," *RFE/RL Armenia Report*, May 4, 2005. It should be noted that Litvinenko had links to Russian oligarch, Boriz Berezovsky, who has a vested interest in harming his main nemesis, Vladimir Putin.

24. Tajikistan had a \$250 million debt-for-asset swap in 2004; Armenia had an almost equally large one in 2002-03.

25. See Vladimir Socor, "The Unfolding of the U.S.-Uzbekistan Crisis," in John C. K. Daly, Kurt H. Meppen, Vladimir Socor, and S. Frederick Starr, *Anatomy of a Crisis: U.S.-Uzbekistan Relations, 2001-2005*, Washington, DC and Uppsala, Sweden: CACI & SRSP Silk Road Paper, February 2006, pp. 44-65.

26. "Ukraine Blockades Export from Transdnistria," *Kommersant*, March 6, 2006.

27. See Daly, *et al.*